

DCMA

Defense Contract Management Agency

DCMA

Defense Contract Management Agency

DCMA

Defense Contract Management Agency

DCMA

Defense Contract Management Agency

DCMA

Defense Contract Management Agency

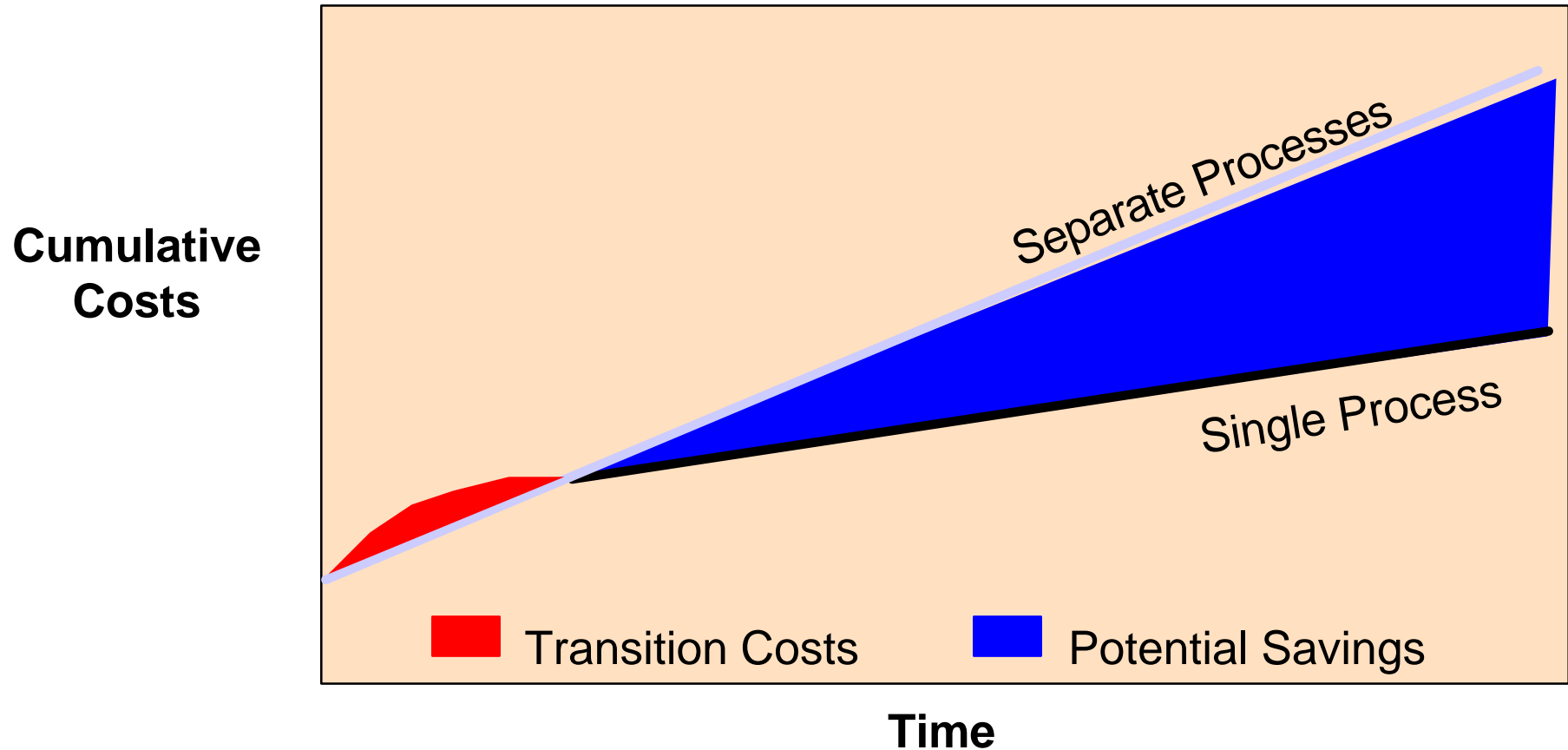
DCMA

Defense Contract Management Agency



Single Process Initiative -- Policy

Why Change Existing Contracts?



Realize Long Term Savings on Existing Contracts

Why SPI?

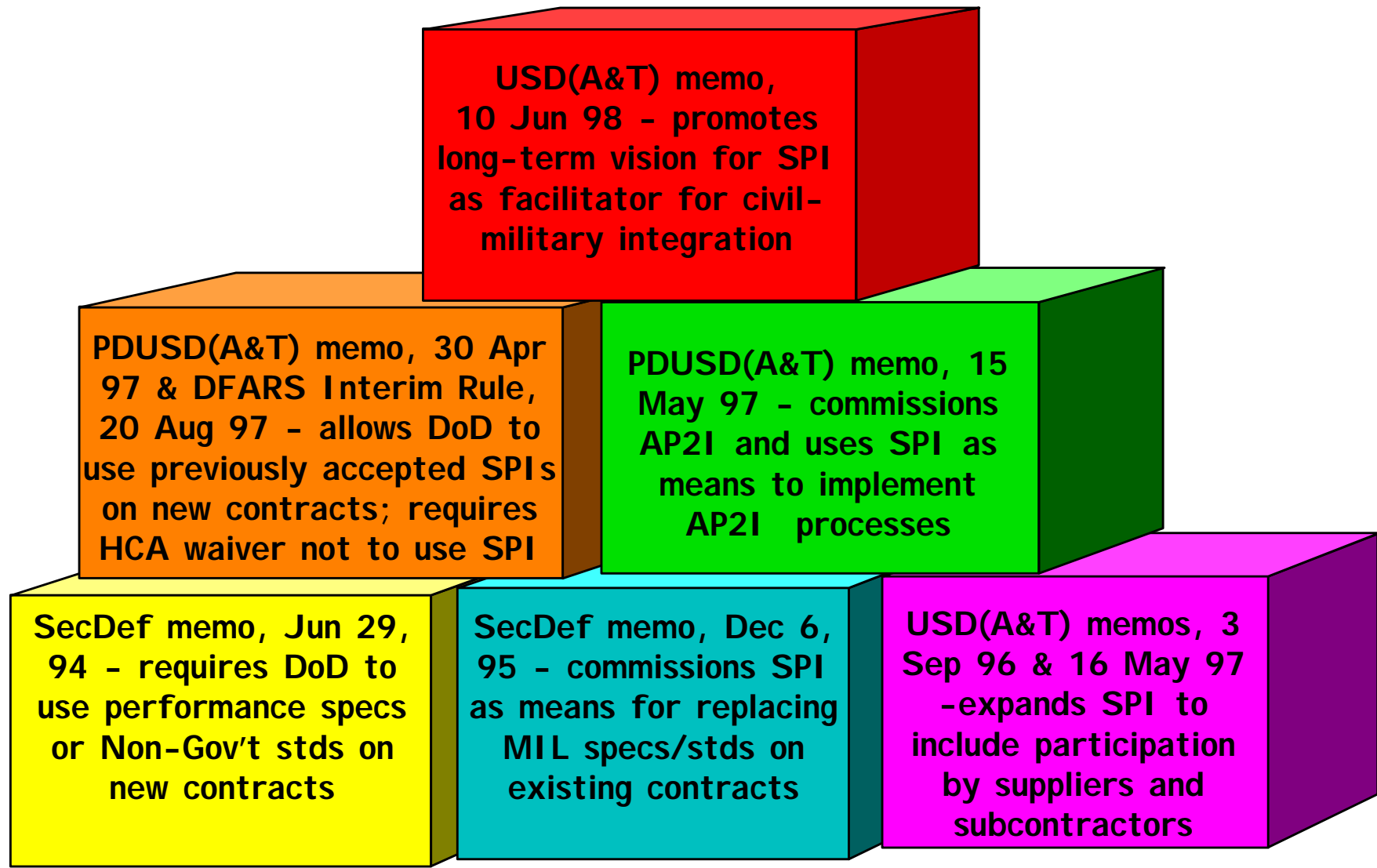
DoD

- SecDef memo, Jun 29, 1994, requires DoD to **use performance specs or non-Government stds on *NEW* contracts**
- SecDef memo, Dec 6, 1995, commissions SPI as vehicle for **replacing Mil specs/stds on *EXISTING* contracts**

Industry

- Highlighted **redundant and burdensome requirements** that drove cost and complexity of manufacturing DoD products and systems
- Asked for vehicle to unify or lessen requirements and **operate commercially**

Building Blocks of SPI



SecDef memo, June 29, 1994

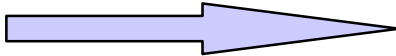
- **Requires DoD to use performance specs or non-Government stds on new contracts**
- **Waivers required to use Mil specs/stds**

SecDef memo, December 6, 1995

- **Commissions SPI as vehicle for replacing Mil specs/stds on *existing* contracts**
- **DCMC designated as lead for implementation**

Increasing Supplier Involvement

USD(A&T) Policy Memo Signed 3 Sep 96

- Subs/Suppliers Account for Over 60% of Product Cost
- Must Be Involved to Maximize SPI Potential
- Barriers Hindering Participation
 - *Primes Flow Down Requirements*
 - *Lack of Awareness*
 - *Initial Investment Too High*
- Dr. Kaminski's 3 Sep Memo - *A First Step!*
- The Journey Continues 

USD(A&T) Policy Memo Signed 16 May 97

- Primes May Substitute Subs Accepted SPI Processes for Processes Imposed by Prime Contract.
- Management Councils at Primes/Subs Should Facilitate and Enable Rapid Implementation.
- Additional Concept Papers Ordinarily Not Required from Prime *nor* Sub.
- Primes Still Responsible for Meeting Performance Requirements.



**A Crucial Step Towards
Involving Subtier
Contractors in SPI**

Subcontract “Enabling” Approach

- Subcontract Enabling Provision Inserted Into Existing Contracts Via SPI
- Allows Primes to Accept Previously Agreed to SPIs if Technically OK
- Lockheed Martin Aeronautical Systems, TX - First Success Story
 - *No Additional Cost to Government*
 - *CBA Regardless of Consideration*
 - *Notification to Government When Accepting Sub’s SPI*
 - *Exact Language Developed by Management Council*

***Industry Associations Engaged to
Facilitate Prime/Sub Issues***

- Over 60% of Product Cost is incurred at Subtier level
- Conflicts when suppliers are also primes
 - *Primes impose processes on suppliers*
 - *Suppliers can't use their own accepted SPIs*
- Suppliers concerned with process variation imposed by primes

Solution: Primes need to “flow down freedom”

PDUSD(A&T) Policy Memo Signed 30 Apr 97

- DoD Will Accept Previously Accepted SPI Processes:
 - *Suitable Substitutes for Solicitation Specs/STDs*
 - *Exceptions Must Be Granted by Head of Contracting Activity/Program Executive Officer*
- Source Selection Officials Ensure Compliance
- Dir Def Procurement to Promulgate DFARS Provision

PDUSD(A&T) Policy Memo Signed 15 May 97

- Commissions AP2I as New DCMC Lead Initiative
- Links SPI with JLC JG-APP Partnership w/Industry
 - *Identify & Evaluate Alternate Processes*
 - *Eliminate Hazardous Materials From Weapons Acquisition*
 - *Use SPI to Propose Substitutes*

USD(A&T) June 3 Memo

The Single Process Initiative - A Long Term Perspective

- **Block Change Mods to be written in Performance Language wherever possible**
- **Move Primes and Suppliers to Performance Based Business Environment**
- **Support Corporate Approaches to Expedite Reform to Entire Corporations**
- **PEOs to Commit Resources to Support SPI**
- **PDUSD(A&T) to Chair an SPI Council with Industry Representation**

“My objective is for the SPI to achieve the integration of commercial and military facilities.”

Visit Our Home Page

<http://www.dcma.mil>

Select "HQ Teams"

Select "Supplier Operations"

Select "Single Process Initiative"